



Montana Commissioner of Securities and Insurance

Serves as the State Government watchdog for the citizens of Montana in the insurance and securities industries. The Commissioner of Securities and Insurance's office is a criminal justice agency charged with protecting Montana's consumers through insurance and securities regulation and also through informing the public about insurance and securities issues.

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Montana HEALTH INSURANCE EXCHANGE

What is an Exchange?

- A **one-stop online marketplace** for individuals and small businesses to compare rates, benefits, and quality among health plans.
- All plans sold in the individual or small business Exchange are offered by **private companies**. It is **not a government-run plan or public insurance option**.
- Individuals and small businesses can continue to purchase insurance outside of the Exchange or keep their current coverage. However, tax credits and subsidies to purchase health insurance will only be available in the Exchange.

Montana HEALTH INSURANCE EXCHANGE

Why would someone buy insurance in the Exchange?

In the Exchange, individuals and small businesses will have access to tax credits and subsidies to help them afford coverage. Small groups will experience pooling similar to large groups, which should reduce costs and expand coverage options. Because plans are placed in tiers based on out-of-pocket costs, consumers can **compare plans on an apples-to-apples basis.**

In 2014, the health insurance market in Montana will be guaranteed issue, meaning that no one can be denied coverage. **It is likely that more people will be moving into the market who have never purchased insurance before.**

Individual Exchange

I am likely :

- Employed, but my employer does not offer a health plan,
- Sole proprietor or self-employed,
- Uninsured and new to the insurance market,
- Previously insured through high-risk pools,
- Employed by a large business who offers a health plan, but my premium is more than 9.8% of my income. I will qualify for a subsidy to buy a plan.



Individual Exchange



When I first log onto the Exchange:

- I will be screened to check if I am eligible for Medicaid (133% FPL) or if my dependents are eligible for Healthy Montana Kids(250% FPL).
- there will be a seamless transition to enroll in assistance programs to get coverage.
- my income will be evaluated to see if I am eligible for tax credits or subsidies to purchase private coverage.

Individual Exchange

Now I am ready to shop for insurance in the Exchange:

Each plan will have a platinum, gold, silver or bronze tier rating.



PLATINUM: 90 % of medical costs paid by plan
10 % of medical costs paid by consumer

GOLD: 80% of medical costs paid by plan
20% of medical costs paid by consumer

SILVER: 70% of medical costs paid by plan
30% of medical costs paid by consumer

BRONZE: 60% of medical costs paid by plan
40% of medical costs paid by consumer

Catastrophic plans are available to those exempt from the mandate and those under age 30.

** These are estimated values. The amount that consumers pay would vary substantially by the amount of services they use.

Individual Exchange

I decide that I can afford a plan in the Gold Tier:



GOLD:

Company A Plan 1

Company A Plan 2

Company B

Company C

Individual Exchange

I decide to purchase a plan based on my health needs:



Company A Plan 1 includes:

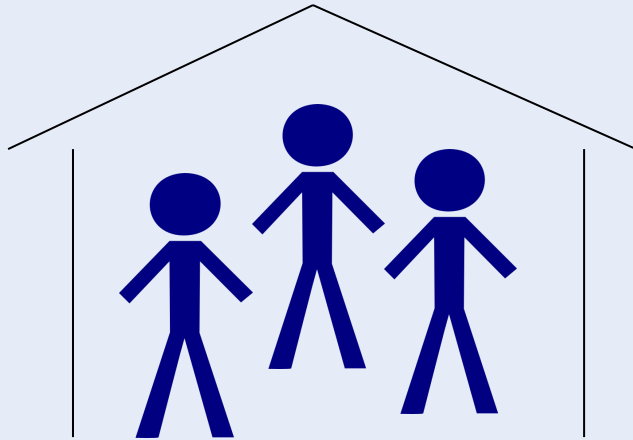
a defined package of benefits that includes essential benefits ;

a low-cost premium based on my age, number of dependents and whether I smoke, less any subsidy that I am eligible to receive;

a network of providers specific to my circumstances;

a package of services specific to my current needs.

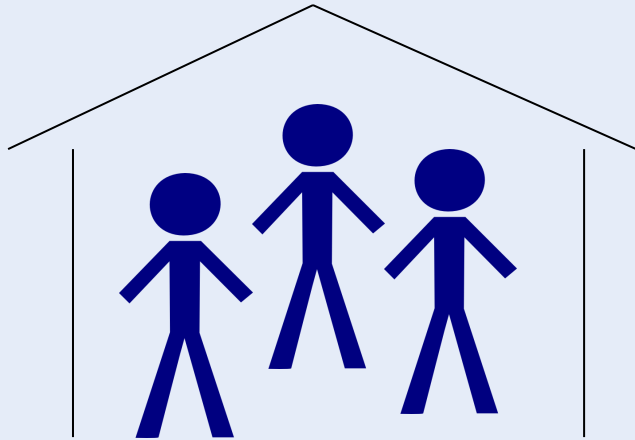
SHOP Exchange



Our business is likely:

- a small, domestic company with less than 100 employees;
- new to the health insurance market (in the US, only 1/3 of businesses with fewer than 25 employees offer health insurance),
- or currently in the Insure Montana program and receiving a subsidy or a tax credit,
- or currently struggling to afford premiums.

SHOP Exchange



In the Exchange, businesses:

- can easily compare (on apples to apples basis) health coverage for employees and dependents the same as in the individual Exchange,
- will experience the advantages (lower costs, lower premiums, more choices) that a large employer or member of a large pool enjoys,
- have greater choice of products,
- will either choose a tier level for employees and their families or choose a specific plan for employees and their families.

To achieve establishing the Montana Exchange, the CSI has:

- 1) Received a \$1 million federal grant to begin planning Montana Health Insurance Exchange.
- 2) Used grant money to contract with entities to research how to best design an Exchange for Montana's consumers and insurance industry.
- 3) Selected consumers, insurance industry representatives, healthcare providers, and small business advocates to sit on an Exchange Stakeholder Involvement Council. Three meetings have been held in Helena, Missoula, and Billings since October.
- 4) Based on comments by the Council, CSI drafted HB 124. A bill must be passed in 2011 to maintain state control over the exchange. Otherwise, a federal exchange will be established in Montana.
- 5) Requested members of other state agencies to sit on an inter-agency working group to analyze how to integrate existing programs into the Montana Exchange.

Health Care Reform in Montana

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